

REMARKS

Claims 2-10, 12-18, and 20-30 will be pending in the Application after the Examiner enters the forgoing amendment.

On pages 2-3 of the Office Action, the Examiner rejected claims 1, 2, 4-6, 8 and 9 under 35 U.S.C. § 101 as being "directed to non-statutory subject matter," concluding that the recited "only constitute an idea of generating signals." Applicant traverses this rejection under § 101 since original independent claims 1 and 2 recite, *inter alia*, explicit steps of "generating" not merely "an idea of generating" In any event, this rejection may now be moot in view of amendments to base claims 1 and 2.

On pages 3-4, the Examiner rejected claims 3, 4, 6 and 7 under 35 U.S.C. § 112, second paragraph, as being "as being indefinite." Although Applicant does not necessarily agree with all the rejections under § 112, these rejections may now be moot in view of amendments to claims 3, 4, 6 and 7.

On page 4, the Examiner rejected claim 1 under 35 U.S.C. § 103 as being unpatentable over U.S. Patent No. 6,497,360 to Schulze and further in view of Official Notice.

Schulze discloses system for "prompt coupon reimbursement after coupon redemption." "The method includes the collection of information from a retailer point-of-sale system, and the examination of redeemed coupons. Where matches between product sales, discounts to consumers and redeemed coupons can be made, payment to the retailer of discounts extended to consumers in exchange for manufacturer authorized

coupons is immediately made following such verification The apparatus of the present invention may comprise a central processing unit and attached peripherals capable of interfacing with a retailer point-of-sale system and downloading information from the point-of-sale system, together with secure storage for holding coupons that are to be verified by the apparatus." (Schulze Abstract).

" . . . a record is made of any discounts provided by the retailer in connection with the transaction such as those associated with redeemed coupons. . . third party verification of the proper redemption of any coupons associated with a transaction is made using the coupon redemption subsystem 104, . . . Next, at step 408, the retailer is reimbursed for discounts provided to consumers as a result of the proper redemption of coupons . . ." (Schulze col. 7, lines 22-57).

The Examiner stated:

Official Notice is taken that is old and well know in the art of marketing to provide discount based on product purchased previously. Discounts, such as buy one get the next item free or half price is well known in retail stores. Thus it would have been obvious to one of ordinary skill in the art at the time of applicant's invention was made to include all kind of promotion including such discount in Schulze coupon processing in order to encourage customer's to buy more.
(Office Action pages 4-5).

On page 5, the Examiner rejected claims 2-6, 8-16, 18-25 and 27 under 35 U.S.C. § 103 as being unpatentable over U.S. Patent No. 6,000,608 to Dorf and further in view of Schulze, and, on page 6, rejected claims 7, 17 and 26 as being unpatentable over Dorf and in view of Schulze and further in view of Official Notice.

The Examiner stated

Regarding claims 2 and 8-11, Dorf teaches effecting a first purchase with a

retailer, enabling a price adjustment for a second purchase responsive to a first purchases, effecting the second purchase; effecting the first purchase in one store and effecting the second purchase in another store; (see col. 9 line 25 to col. 10 line 6). Doff does not explicitly teach generating a signal corresponding to a transfer of funds from a manufacturer to the retailer, . . . it is taught in Schulze (see col. 5 line 8 to col. 6 line 42, col. 7 lines 1-57, col. 8 line 55 to col. 9 line 7). Schulze teaches manufacturer reimbursing the retailer for the discounted purchase made by the customer (see abstract). Thus it would have been obvious to one of ordinary skill in the art at the time of applicant's invention was made to combine Dorf's points redemption and Schulze's manufacturer reimbursement of coupons in order to reimburse the retailer the discount extended to customers.

(Office Action, page 5).

Applicant notes that Dorf discloses:

III. Loyalty Card

[T]he system 108 of the present invention may provide a separate loyalty card much like a frequent flier card that can have points added at virtually any POS device 105.

A. Product/Manufacturer-Specific Loyalty Card

The card could be issued by a certain manufacturer to reward a customer with loyalty points for purchasing the manufacturer's product, regardless of the retail location of the purchase. This reward could be tied to the purchase of a single product type or to all of the manufacturer's products. . . . Points are added to the card at participating retail locations which sell the manufacturer's product(s). The card 101 is swiped at any retail location, the purchase amount for the manufacturer's product is entered using the PIN pad of the POS device 105, and the data is transmitted to the processing hub 103 using one of the methods described above. After receiving the data, the processing hub 103 credits the appropriate record in the loyalty card database 206 with a number of points proportional to the purchase price. The card is transportable to any participating retailer. The system 108 allows the manufacturer to connect to the processing hub 103 via an on-line connection to access the loyalty card database 206. Again, the customer could be rewarded when certain point plateaus are reached.

B. Retailer-Specific Loyalty Card

Alternatively, the card could be issued by a particular retailer to reward customers for purchases made in the retailer's location(s). The retailer could award points for any purchase within the store, or could target special promotional items. The card

would function in a manner similar to the product-specific card. Once again, the customer is rewarded when certain point plateaus are reached.

... Loyalty points might also be converted into a dollar value for use at the retail location. ...
(Dorf col. 9, line 25 - col. 10, line 6).

Applicant respectfully submits that there would have been no motivation to modify Dorf as stated by the Examiner. Although the Examiner stated, "Dorf does not explicitly teach generating a signal corresponding to a transfer of funds from a manufacturer to the retailer, . . . , it is taught in Schulze," there would have been no reason to generate a signal corresponding to a transfer of funds from a manufacturer to the retailer in Dorf. For the processing of Dorf's Product/Manufacturer-Specific Card, data is transmitted to the processing hub 103, and the processing hub 103 credits the loyalty card database 206 with points. The system 108 allows the manufacturer to connect to the processing hub 103 via an on-line connection to access the loyalty card database 206. The customer could be rewarded when certain point plateaus are reached. Thus, Dorf's Product/Manufacturer-Specific Card does not suggest a reason or need to transfer funds from a manufacturer to the retailer and Dorf does not suggest a motivation to be combined with Schulze.

Thus, although the Examiner stated, it would have been obvious "to combine Dorf's points redemption and Schulze's manufacturer reimbursement of coupons in order to reimburse the retailer the discount extended to customers," Applicant respectfully notes that Dorf's Product/Manufacturer-Specific Card does not extend discounts to customers.

In contrast, each of claims 2-10 and 28, as amended, recites a combination including effecting a first purchase with the retailer, the first purchase being associated

with a manufacturer; selectively enabling a price adjustment for a second purchase only with the retailer, the price adjustment being only for a product of the manufacturer; and generating a signal in a processor, the signal corresponding to a transfer of funds from the manufacturer to the retailer (Base claim 2). No reasonable combination of the art of record suggests this interrelation of between first and second purchases, a retailer, and a manufacturer.

Claims 12-18 and 29 are patentable as each recites, *inter alia*, a first checkout station for effecting a first purchase with the retailer, the first purchase being associated with a manufacturer; a first processor that selectively enables a price adjustment for a second purchase only with the retailer, the price adjustment being only for a product of the manufacturer, the enabling being responsive to the first purchase; a second checkout station for effecting the second purchase; and a second processor that generates a signal corresponding to a transfer of funds from the manufacturer to the retailer. (Base claim 12).

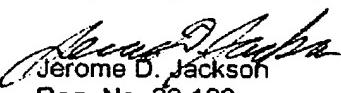
Claims 20-27 and 30 are patentable as each recites, *inter alia*, means for effecting a first purchase with the retailer, the first purchase being associated with a manufacturer; means for selectively enabling a price adjustment for a second purchase only with the retailer, the price adjustment being only for a product of the manufacturer, the enabling being responsive to the first purchase; means for effecting the second purchase; and means for generating a signal corresponding to a transfer of funds from the manufacturer to the retailer. (Base claim 20).

If there are any other fees required for entry of this amendment, or for any other

reason, please charge such fees to the undersigned attorney's Deposit Account No. 10-0077.

If the Examiner has any questions about this amendment, applicant's representative would appreciate discussing this amendment with the Examiner. Applicant's representative, Jerome Jackson, can be reached at 703-684-4840.

Respectfully submitted,


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